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PART IV-A

Rules and Orders (Other than those published in Parts I, I-A, and I-L) made
by the Government of Gujarat under the Central Acts

INDUSTRIES AND MINES DEPARTMENT

NOTIFICATION

Sachivalaya, Gandhinagar, 13th January, 2021

MINES AND MINERALS (DEVELOPMENT AND REGULATION) ACT, 1957.

No. GU-2021-01-102020-534113-CHH-1, Whereas the proposal vide Single file system No.CGM/AUCTIONMAJOR/MEWASA-LAMBA/2020/1, dated 01/12/2020 received from the office of the Commissioner, Geology and Mining, Gandhinagar pursuant to Mines and Minerals Concession Rules, 2016 and Mineral (Auction) Rules, 2015 as amended from time to time the State Government hereby notifies the following three mineral blocks located in Devbhumi Dwarka District and invites tender to commence the process for grant of mining lease :

Table-A

S. No.	Name of Mineral Block	Area (Hectares)	Land Type & Survey No.	Estimated Mineral Resources (Tonnes)	Value of Estimated Resources* (Rs. crore)
1.	Mevasa Block	8.7305	Private (Survey No. 259)	Bauxite (aluminous laterite - major mineral) 994866.296 tonnes	63.91 crore
2.	Lamba Block	6.6285	Private (Survey No. 92-P/2)	Bauxite (aluminous laterite - major mineral) 2327947.80 tonnes	149.54 crore
3.	Satapara Block	5.5380	Private (Survey No. 359 and 363)	Bauxite (refractory grade**) -81848.34 tonnes Bauxite (aluminous laterite - major mineral) 2229604.14 tonnes	161.78 crore

* In the absence of prices of aluminous laterite published by Indian Bureau of Mines, the computation is based on the average sale prices of Bauxite (non-metallurgical cement grade) bauxite as published by Indian Bureau of Mines for Gujarat for the 12 months preceding the date of issuance of NIT (i.e. prices available from December 2019 to November 2020 only) assuming NIT will be issued in December 2020 and may change depending on the date of

issuance of NIT or if any new prices are published by IBM prior to issuance of NIT. Once the prices of aluminous laterite are notified by the Indian Bureau of Mines, the same may be considered for collection of payments. Further, in case the prices of aluminous laterite are notified by the Indian Bureau of Mines before the date of issuance of NIT, the same will be taken for calculation of Value of Estimated Resources in place of bauxite (non-metallurgical cement grade). The royalty rates for aluminous laterite will be applicable as and when it is declared by the central government.

***the bauxite in Satapara block can be fall in refractory grade (Non-metallurgic grade) because the analysis result of this block are 52.84% Al₂O₃ and 6.45% SiO₂ contents which falls near to refractory grade as per NMI, IBM end use classification where refractory grade is having Al₂O₃ (55% minimum), Fe₂O₃ (4.5% max), CaO (1.5% max) 6.45% TiO₂ (6.5% max).*

(2) Currently, the following agencies were appointed for conducting auction process as prescribed in the MMDR Act, 1957 and the rules made thereunder.

1. SBI Capital Markets Limited (SBICAP) as Transaction Advisor vide engagement letter dated 10/02/2020 signed on 01/09/2020.
2. Exploration/Drilling for various blocks is detailed below:
 - a. Drilling agency Vinayak Engimech Pvt. Ltd was carried out drilling in these three blocks during 2019-2020.
3. MSTC Ltd. has been appointed as the auction portal provider for this phase of auction.

After careful consideration the Government has accorded its approval to the said proposal with general terms and conditions.

General Terms and Conditions

The key parameters/natters, along with the terms and conditions and other modalities of the e-auction process that shall be mentioned in the Tender Document of the said blocks as listed in Table -A shall be similar as considered during last phase of auction.

- i. The average sale prices of bauxite (Non metallurgical cement grade and refractory grade) published by IBM for the state of Gujarat during the last 12 months are as given below and these average sale prices have been used for determining value of estimated resources.

Table B

Average Sale Price of Bauxite (Non metallurgical Cement Grade and refractory grade) in Gujarat as Published by IBM (Rs./Tonne), Assuming NIT is issued in the month of December 2020		
Month	Cement Grade	Refractory Grade
Dec '19	618	2267
Jan '20	552	2261
Feb '20	540	2261
Mar '20	649	2182
Apr '20	696	2261
May '20	763	2261
Jun '20	715	2301
Jul '20	606	2342
Aug '20	Not Published	Not Published
Sep '20	Not Published	Not Published
Oct '20	Not Published	Not Published
Nov '20	Not Published	Not Published
Average Price	642	2267

Note: The average, price stated above may change depending on the date of issuance of NIT or if any new prices are published by IBM prior to issuance of NIT.

- ii. Price of Tender Document shall be Rs. 2 lakh per Tender Document, in line with the price prescribed during the last phase of auctions. The price of tender document will be kept excluding GST and bidders are required to pay applicable GST under Reverse Charge Mechanism. As per the Model Tender Document circulated by the Central Government, the price of Tender Document is not to exceed Rs. 5 lakh. Other states have prescribed Rs. 1-5 lakh as the price of the Tender Document.
- iii. The Reserve Price as per the Mineral (Auction) Rules, 2015 shall be 5%. It is expected that a reasonable price may emerge out of the price discovery in the first round of auction (i.e. Initial Price Offer stage) that would become the floor price for the second round of the auction (i.e. Final Price Offer stage).
- iv. Stage-I of the Timetable of the Tender Process pertaining to e-auction process for selection of Preferred Bidder shall be completed in 92 days. Comparison of the timetable stipulated under (i) tender document notified by the Central Government, (ii) prescribed by GoG under Phase-VI of auctions and (iii) proposed by GoG under Phase-VII of auction is detailed below.

Table C

Events	Timeline from the date of issuance of Notice Inviting Tender		
	Prescribed under Tender Document notified by Central Government	Prescribed by GoG under Phase-VI	Proposed by GoG under Phase -VII
Selection of Preferred Bidder	67 days	63-69 days	63-69 days
Completion of Stage – I i.e. issuance of Letter of Intent	105 days	92 days	92 days

Whereas suitable modifications are made to complete the process early as detailed above, the timelines may get amended by a couple of days in light of public holidays. This timeline needs to be extended by issuing corrigendum depending on the prevailing covid-19 situation or due to administrative exigencies.

- v. A brief sentence shall be added in notice inviting tender that the price of bauxite (cement grade) is taken for calculation of VER since the price of aluminous laterite is not available. All the applicable payments after the notification of royalty and sale price of aluminous laterite shall be levied on notified royalty rate and sale price.
- vi. Upfront payment shall be an amount equivalent to 0.50% of the value of estimated resources as per Mineral (Auction) Rules, 2015. The upfront payment shall be payable to the State Government in three instalments of 10%, 10% and 80%. The same shall be adjusted in full at the earliest against the amount payable in accordance with the percentage of Value of Mineral Despatched quoted as the Final Price Offer on commencement of production of mineral(s) as specified in MDPA.
- vii. Bid Security amount shall be 20% of the Upfront Payment or 0.10% of the value of estimated resources in line with the level prescribed during the last phase of auction. It may be mentioned that other states viz. Maharashtra and Odisha also prescribed similar amount of bid security while conducting auctions.
- viii. The Bid Security shall be subsequently replaced with the Performance Security [0.50% of value of estimated resources as per Mineral (Auction) Rules, 2015] by the Successful Bidder. List of events that will lead to appropriation of Bid Security shall be stipulated in the tender document.

- ix. Bid Security shall be valid for 240 days from Bid Due date including a claim period of 60 days in line with the Model Tender Document notified by the Central Government.
- x. There will not be any reservation with regard to specified end-use.
- xi. Minimum incremental price offer in second round of the e-auction will be 0.05%.
- xii. Maximum time slot for auto extension of bid time during second round of the auction shall be 8 minutes.
- xiii. A pre-defined communication protocol amongst all the participants of the e-auction process shall be adopted (that inter alia includes digital signature of authorized personnel, designated email ids, address and access control mechanism).
- xiv. Where subsequent to the e-auction presence of minor mineral is established or discovered, its treatment shall be as per the prevailing rules at the time when the minor mineral is discovered in the concession area.
- xv. Evaluation of the Technical Bids in this auction may be carried out by the Technical Evaluation Committee as formed by the Government.
- xvi. During evaluation of Technical Bid, in case of discrepancies between physically and electronically submitted documents, the documents submitted physically shall be considered.
- xvii. In line with the Mineral (Auction) Rules, 2015, it is proposed that the bidders will not be permitted to submit an Initial Price Offer (IPO) below the Reserve Price on the auction portal.
- xviii. IPOs of only Technically Qualified Bidders shall be opened one day prior to the second round of e-auction.
- xix. Each Qualified Bidder (QB) will be intimated of its qualification individually for second round of e-auction and applicable floor price (highest Initial Price Offer discovered in the first round of e-auction).
- xx. Performance Security shall be an amount equivalent to 0.50% of the value of estimated resources as per Mineral (Auction) Rules, 2015. The list of events that will lead to appropriation of Performance Security shall be outlined in the Mine Development and Production Agreement (MDPA).
- xxi. As per Mineral (Auction) Rules, 2015 as amended, Upfront Payment paid shall be adjusted in full at the earliest against the amount payable in accordance with the percentage of Value of Mineral Despatched quoted as the Final Price Offer on commencement of production of mineral(s) as specified in MDPA.
- xxii. The format of Letter of Intent (LoI) has been provided as a Schedule in the tender document wherein as per amended Mineral (Auction) Rules, Mining Lease Deed shall not be executed on expiry of a period of three years from the date of the letter of intent, and the letter of intent shall be invalidated leading to annulment of the entire process of auction. Provided further that the State Government may allow a further extension for a period of two years for execution of the Mining Lease Deed if the reasons for delay were beyond the control of the preferred bidder.
- xxiii. The Minimum Production Requirement (MPR) is prescribed in Schedule D of MDPA along with the value of the Performance Security to be appropriated in case of non-compliance. In line with the levels prescribed under the last phase of auction, the Successful Bidder shall meet the annual MPR as stated in the table below;

Table E

Year (since commencement of mining lease)	Minimum Production Requirement (% of yearly production as per approved Mining Plan)	Value of Performance Security to be appropriated
Year 1	0%	24% of Average sale price of relevant mineral published by IBM as applicable during the year of shortfall (multiplied by) shortfall in production [minimum production requirement (minus) actual annual production]
Year 2	0%	
Year 3	40%	
Year 4	50%	
Year 5	55%	
Year 6 onwards		

xxiv. In line with the tender document notified by the Central Government, in case where non-compliance with the MPR exceeds for more than seven instances, such non-compliance will give the State Government a right to terminate the mining lease.

xxv. The area limits specified under Section 6(1)(b) of the Act is stated below:

Name of Mineral	Mining Lease (sq. km.)
Bauxite	10 sq. kms. in each case

Accordingly, the State Government shall not issue a letter of intent without prior approval from the Central Government in case the Bidder holds or may hold (including the area relating to the auction hereunder) one or more mining leases covering a total area of more than ten square kilometres in respect of bauxite mineral in the State of Gujarat.

xxvi. The following changes to the tender document published in earlier phases are :

- (a) A Bidder shall submit only 1 (one) Bid for a particular Mineral Block. No Affiliate(s) of such Bidder shall submit a Bid for said Mineral Block. In case an Affiliate(s) of a Bidder also submits a Bid for said Mineral Block, the Bids submitted by the Bidder and its Affiliate(s) shall be rejected.

For the purpose of this clause:

- (i) "Affiliate" with respect to a Bidder shall mean a person who: (a) controls such Bidder, (b) is controlled by such Bidder, (c) is under common control with such Bidder, (d) is an associate company of the Bidder, or (e) is a subsidiary company of such Bidder.
- (ii) the terms "associate company", "control" and "subsidiary company" shall have the meaning ascribed thereto in the Companies Act, 2013, as amended from time to time.

The Bidder shall declare in the Bid Letter and Affidavit that only (1) Bid has been submitted by the bidder for the Mineral Block and no Affiliate(s) of bidder has submitted a Bid for said Mineral Block and in case any Affiliate(s) of bidder also submits a Bid for said Mineral Block, the Bids submitted by bidder and his Affiliate(s) will be rejected.

- (b) For eligibility, it is proposed that in case the net worth of the Bidder's holding company is considered, the shareholding pattern establishing the relationship between such holding company and the Bidder shall be as of the last day of the financial year considered in terms of Explanation No. 2 and/ or No. 3 to the Schedule I of Mineral (Auction) Rules, 2015 as amended from time to time. In case of a partnership firm, certificate should clearly mention that it has been issued by the chartered accountant, and the net worth stated therein is as per the partners' capital account.

In case the bid is submitted by a subsidiary company using the net worth of its holding company, the Bidder shall mention in the Bid Letter that it shall continue to be a subsidiary of the holding company whose net worth has been considered for meeting the terms and conditions of eligibility until such time we meet the aforementioned net worth threshold.

- (c) Each Technically Qualified Bidder (TQB) shall be individually intimated via email instead of declaring the list of TQB on auction portal. The same process is followed in auction of minor minerals.
- (d) The State Government shall be entitled to forfeit and appropriate the Bid Security as damages, amongst others in any of the events specified in this Tender Document. The Bidder, by submitting its bid pursuant to this Tender Document, shall be deemed to have acknowledged and confirmed that the State Government will suffer loss and damage on account of withdrawal of its bid or for any other default by the Bidder during the period of bid validity as specified in this Tender Document. No relaxation of any kind on Bid Security shall be given to any Bidder.
- (e) The Successful Bidder shall make monthly payments within 20 calendar days of expiry of each month with respect to Mineral despatched instead of mineral extracted from the Lease Area in such calendar month.
- (f) Schedule III will be changed as per the system requirements of MSTC.
- (g) In the format of bid security, following shall be inserted:

This Guarantee may be verified by contacting the bank at;

Address of the Bank	
Name of the Contact Person	
Phone No:	
Official Email Id:	

The Commissioner, Geology and Mining is hereby directed to do the needful as per the Mines and Minerals (Development and Regulation) Act, 1957, the Mineral Auction Rules, 2015 the Mineral (Auction) Amendment Rules, 2017, the Minerals (Evidence of Mineral Contents) Rules, 2015 and all the Acts and rules with regard to mines and minerals and expedite the auction of said blocks of Devbhumi Dwarka District.

By order and in the name of the Governor of Gujarat,

K. H. PATHAK,
Deputy Secretary to Government.
